

9566-1-3-58



Annual Report

YEAR ENDED DECEMBER 31, 1958

This cover map represents the rapid transit lines — a portion of the transportation system of the Metropolitan Transit Authority.

12th Annual Report

(YEAR ENDED — DECEMBER 31, 1958)

of the

BOARD of TRUSTEES

of the

Metropolitan Transit Authority

BOSTON 16, MASSACHUSETTS



Board of Trustees

ANTHONY D. POMPEO, *Chairman*

JOHN J. GRAHAM

WILLIAM V. WARD

General Officers

EDWARD DANA *General Manager*

THOMAS A. DUNBAR*Treasurer-Comptroller*

WILLIS B. DOWNEY*General Counsel*

CHARLES A. McCARRON*General Attorney*

Table of Contents

Summary of Report	5
Operating Expenses	5
Fixed Charges	6
Total Cost of Service	6
Revenue Passengers	6
History of the Metropolitan Transit Authority	6
Highland Branch	7
Parking Areas	8
Safety Program	8
Organizational Changes	9
Changes in Service	9
New Equipment and Equipment Retired	9
New Uniforms	10
Modernization Program	10
Promotion	10

Financial Statements

Balance Sheet	14-15
Statement of Funded Debt	17
Notes on Funded Debt	18-20
Statement of Income and Cost of the Service	21
Statement of Operating Expenses	22-23
Notes to Financial Statements	24-25

To His Excellency THE GOVERNOR,

To the GENERAL COURT,

and to the TRUSTEES of the BOSTON METROPOLITAN DISTRICT:

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the twelfth annual report of the Authority, which covers the results of operations for the calendar year 1958.

SUMMARY OF REPORT

The total deficit of the Authority for 1958 amounted to \$15,780,896.99. This is an increase of \$4,366,083.02 above the deficit in the previous year.

Total income of the Authority in 1958 was \$37,159,651.25. This is a decrease of \$1,213,728.52 from the total income in 1957, or a 3.16% decrease. For the year ended December 31, 1958, the total income of \$37,159,651.25 failed to meet the total cost of service of \$53,086,231.74 by \$15,926,580.49. Other profit and loss credits amounted to \$145,683.50, resulting in an assessable deficit for the year 1958 of \$15,780,896.99.

OPERATING EXPENSES

During the year 1958, operating expenses, which are the expenses incurred in the actual operation of the railway, were \$46,012,523.26, as compared with \$43,690,864.27 in 1957. This is an increase of \$2,321,658.99. The following table compares operating expenses in 1958 with those of 1957:

	<i>Year 1958</i>	<i>Year 1957</i>	<i>Increase</i>
Wages	\$33,299,222.78	\$32,103,149.37	\$1,196,073.41
Materials, Services and other items	4,542,830.78	4,241,226.13	301,604.65
Injuries and Damages	2,028,742.04	1,651,012.39	377,729.65
Depreciation	1,200,000.00	1,200,000.00	—
Fuel	1,901,974.95	2,345,698.99	443,724.04 Dec.
Power Interchange (Net)	49,117.55 Cr.	421,223.43 Cr.	372,105.88
MTA Retirement Fund	1,981,590.66	1,888,908.40	92,682.26
Health and Welfare Insurance	1,107,279.60	682,092.42	425,187.18
TOTAL OPERATING EXPENSES	\$46,012,523.26	\$43,690,864.27	\$2,321,658.99

The preceding table indicates that three categories of cost — Wages, Retirement Fund and Health and Welfare Insurance — represented 73.8% of the increase shown.

FIXED CHARGES

Under the law of the Commonwealth, as presently constituted, certain so-called fixed charges must be included as a part of the cost of service. These are composed of taxes, interest on bonds, payments on funded debt and Cambridge subway rental. The following table compares these items for 1958 and 1957.

	YEAR ENDED DECEMBER 31	
	1958	1957
Taxes	\$ 864,063.87	\$ 847,686.83
Interest on Bonds	3,587,142.22	3,622,641.17
Payment on Funded Debt — B.M.D.	2,223,000.00	2,143,000.00
Cambridge Subway Rental	384,943.34	384,811.68
Miscellaneous Items	14,559.05	12,076.42
TOTAL	\$7,073,708.48	\$7,010,216.10

TOTAL COST OF SERVICE

The total cost of service which includes operating expenses and fixed charges listed above was \$53,086,231.74 in 1958, as compared with \$50,701,080.37 in 1957. This is an increase of \$2,385,151.37, or 4.70%.

REVENUE PASSENGERS

The increased use of the automobile is again reflected in the declining passenger load carried by the Authority. Nineteen hundred and fifty-eight saw the Authority carry 205,682,900 revenue passengers, as compared with 212,474,900 in 1957. This is a drop of 3.20%. The total revenue from transportation service in 1958 amounted to \$36,032,557.62, as compared with \$37,125,110.31 in 1957. This is a reduction of \$1,092,552.69, or 2.94%.

HISTORY OF THE METROPOLITAN TRANSIT AUTHORITY

The history of public transportation in the metropolitan Boston area may, for the sake of brevity, be considered in three parts: the West End Street Railway, the Boston Elevated Railway and the Metropolitan Transit Authority.

In 1887, the several competing street railway companies in the area, which were horse railways, were consolidated into one company which took the name of the West End Street Railway. These companies were the Boston Consolidated Street Railway, the Cambridge Railroad, the Metropolitan Railroad and the South Boston Railroad.

The West End Street Railway was a pioneer in the electrification of street railways in this country and, beginning with the first trip operated on January 19, 1889, electric cars gradually ousted horsecars as a method of public transportation. The last horsecar in Boston ran on Christmas Eve, 1900, on the Marlborough Street Line.

The Boston Elevated Railway was incorporated in 1894 and in 1897, by legislative charter, took over, by lease, the property of the West End Street Railway Company. In 1922, the West End Street Railway was finally consolidated with the Boston Elevated Railway Company.

In 1918, the General Court passed the Public Control Act and the Boston Elevated Railway came under the control of public trustees appointed by the Governor. This period of private ownership and public control lasted until the operation of the Metropolitan Transit Authority started on August 30, 1947.

The Metropolitan Transit Authority is a political subdivision of the Commonwealth composed of fourteen cities and towns which own and operate the metropolitan transit system under and in accordance with Chapter 544 of the Acts of 1947. The fourteen cities and towns comprising the Metropolitan Transit Authority are: Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Newton, Revere, Somerville, and Watertown.

The Metropolitan Transit Authority serves an area of 114.43 square miles with a population of 1,514,217. The Authority has 6,113 employees and service is provided with 336 streetcars, 391 trackless trolleys, 600 buses and 422 rapid transit cars.

HIGHLAND BRANCH

A continuing population shift from the city to the suburbs has magnified the problems confronting mass transportation throughout the country.

The considered opinion of mass transportation officials and city planners as to the most effective method of meeting this challenge is the extension of rapid transit facilities to the growing areas.

It is argued that a fast, economical mass transportation system coupled with adequate fringe parking areas will benefit not only the financially beleaguered transportation companies, but also the core city itself by relieving its auto-choked streets and by providing easy and comfortable access to the city's multi-faceted attractions.

The Metropolitan Transit Authority has taken just such a step with its extension of rapid transit service to Newton over the abandoned right of way of the Boston and Albany's Newton Highlands Branch line.

The Authority feels that this progressive action will be of great benefit to the area served and will provide efficient mass transportation on a truly metropolitan scale.

Under a 1957 Act of the Legislature (Chapter 450), the Authority was authorized to construct a rapid transit line from the subway under Beacon Street, Boston, over the Newton Highlands Branch of the Boston and Albany Railroad to a point in Newton westerly of Grove Street.

In 1957, the MTA Advisory Board approved the project and the Department of Public Utilities granted approval of a preliminary plan together with estimates of cost. In 1958, the Interstate Commerce Commission, on a joint petition of the Boston and Albany Railroad and The New York Central Railroad, issued a Certificate of Abandonment of the Newton Highlands Branch. The last trains ran on May 29, 1958.

On June 9th, the Authority entered into a contract for the construction of the Highland Branch Extension which calls for the completion of the project by July 1, 1959. The cost of the project is being financed by a bond issue authorized by the Legislature and limiting the amount that can be expended to a sum not to exceed \$9,200,000.00.

The part of the Branch over which the MTA is to operate is 9.4 miles in length and the operation will extend about 12 miles from Park Street, the center of the system, farther than any existing rapid transit line of the Authority.

Service on the line will be provided by Presidents' Conference Committee Cars and the estimated running time for a three-car train making all stops is 32 minutes from the Terminal Station at Riverside to Park Street Station in the heart of downtown Boston.

The construction work necessary to convert the existing track to rapid transit operation amounts to a complete rehabilitation of the line.

Some of the major projects involved are:

Construction of a subway and an incline having a total length of 1,150 feet connecting with the Boylston Street Subway in Beacon Street

Construction of a double track connection, a loop for turning cars, a busway and driveway, shelters, and a storage space for cars at Reservoir Yard

Construction of a car storage yard, a station, and a loop for turning cars at the Terminal Station at Riverside

Construction of a new power substation designed for fully automatic control with remote indication and supervision of switching from the Authority's existing power dispatching headquarters at the South Boston Power Station

Parking facilities will be provided at most of the stations to encourage "park and ride" patrons; the major construction necessary being that connected with the building of a large parking area at the Terminal Station at Riverside with provisions for parking 2,000 cars.

The signal system will consist of a block signal system on the main line tracks and automatic track switching with interlocking signals at the subway connection and at the Reservoir and Terminal yards. The block signals are similar to those now used throughout the Tremont Street, Boylston Street, and Huntington Avenue Subways.

Ground was broken for the extension on July 10, 1958, and the work was 41 per cent completed as of December 31st. It is anticipated that service will commence shortly after July 1, 1959.

PARKING AREAS

The use of fringe parking areas near rapid transit stations as an inducement to motorists to “park and ride” is generally conceded by city planners and mass transportation officials as an effective and necessary method of attracting riders to utilize existing rapid transit services. The benefit to the Authority is obvious; there is an additional benefit to the core city of the metropolitan area by the reduction of autos entering the traffic-congested central city.

The Metropolitan Transit Authority has made increasing efforts over the past years to take all possible advantage of this concept. Its success is indicated by the following table:

	<i>No. of Cars Using Lots</i>	<i>Rental Income</i>
1955	515,346	\$62,433.95
1956	563,027	69,747.22
1957	654,498	81,818.79
1958	711,936	93,103.05

With the completion of the Highland Branch Extension in mid-1959, the number of parking spaces will be increased by approximately 2,563. The largest parking area in the MTA's continuing attempts to attract riders by the “park and ride” plan will be located at Riverside, conveniently near Route 128 and the Massachusetts Toll Road.

During 1958, the Authority enlarged the parking area at Everett Station; began enlarging the area at Kendall Square; and black-topped an area of approximately 4,500 square yards at the Mattapan Station parking area.

SAFETY PROGRAM

The Metropolitan Transit Authority has always been conscious of its responsibility to provide the public with safe operation. As the Boston Elevated Railway Company, it was the recipient of six national awards for safe operation, and, as the MTA, continuing efforts have been made to maintain and improve the Authority's safety record.

By means of a highly coordinated, IBM tabulated accident prevention program, the Authority has successfully reduced its accident rate, as the following table illustrates:

Accident Data — Years 1958 and 1957

	<i>1958</i>	<i>1957</i>	<i>% of Decrease</i>
Total Miles	38,797,943	40,822,489	4.96
Total Accidents	8,186	9,283	11.82
Total Accidents per 100,000 Passengers	3.98	4.37	8.92
Total Accidents per 100,000 Miles	21.10	22.74	7.21
Collision Accidents	2,790	3,304	15.56
% of Collision Accidents to Total Accidents	34.1	35.6	4.21
Collision Accidents per 100,000 Miles	7.19	8.09	11.12
Collision Accidents per 100,000 Surface Miles	9.92	11.30	12.21

During 1958, an award was established for the Surface Lines' rating station achieving the highest accident reduction. Named the Edward Dana Safety Plaque, because of the General Manager's long interest in transit safety, the award is designed to stimulate friendly competition in the reduction of accidents among the operators of the five Surface Lines' rating stations.

The Salem Street Rating Station won the Plaque by reducing its accident rate per 100,000 miles 16.6% in 1958, as compared with the 1957 rate. This Station serves all of East Boston, Revere, Everett, Malden, and Medford, and parts of Chelsea, Somerville, Cambridge, and Arlington.

ORGANIZATIONAL CHANGES

In 1958, the Engineering and Maintenance Department and the Power Department were consolidated into one department called the Engineering Department with a Chief Engineer as administrative head of the combined departments.

The consolidation and the subsequent moving of the Power Department facilities, stock and personnel, to the Engineering Department building at Sullivan Square resulted in, and will continue to effect, a more efficient operation of both departments. The building formerly used by the Power Department on Harrison Avenue was then rented.

In addition to the increase in over-all efficiency, economies, both financial and operational, will be gained as a result of the elimination of some duplication of functions and overlapping of facilities.

The consolidation will permit a sharing of personnel and equipment, as well as provide a more cohesive and coordinated approach to problems affecting the Authority in the related fields of engineering and power.

CHANGES IN SERVICE

Changes in the Authority's services during 1958 included the following:

Three lines originating from Arborway Station — Charles River Loop, Dedham Line and Cleary Square — were converted from trackless trolley to bus operation.

In the interest of more efficient service, the Authority, during 1958, combined five of its routes.

Three lines from North Cambridge — to Watertown, Waverley and Harvard Square — were converted from streetcar to trackless trolley operation. Streetcars had operated in Cambridge since 1856 when the first horse railway began operations between Harvard Square and Boston.

After careful tabulation and in the interest of more economical operation, four routes were discontinued on Sundays and holidays.

NEW EQUIPMENT AND EQUIPMENT RETIRED

In 1958, the Authority received delivery of 50 new rapid transit cars for service on the Main Line Elevated which runs from Everett to Forest Hills. These cars were made by the Pullman-Standard Car Manufacturing Company in Worcester and bring the total of new cars on the Main Line to 100, fifty having been delivered in 1957.

The cars are larger than the old-type elevated cars and have an increased passenger capacity, the latest lighting equipment and air conditioning features.

With the delivery of the second lot of 50 cars, all of the Main Line service, except during rush hours on weekdays, is provided by these modern rapid transit cars.

The Authority also acquired 60 new diesel buses during 1958; 30 from the General Motors Corporation and 30 from Mack Trucks, Inc. These buses have single seats on one side which provide additional aisle room permitting a greater ease of operation and a larger passenger capacity during peak-hour riding.

To aid in the speedy retirement of obsolete equipment, the Authority purchased eight double-ended P.C.C. type cars. These will be used to replace the old Type "5" cars that are used during rush hours on the Park Street Station — Northeastern University and the Park Street Station — Blandford Street lines. The final nine Type "5" cars still in service will be replaced early in 1959.

As the Authority acquires new equipment for the improvement of service on its lines, the older vehicles are retired from service. During 1958, the Authority retired the following equipment:

<i>Year</i>	<i>Total</i>	<i>#5 Semi</i>	<i>R. T. L.</i>	<i>Buses</i>
1917	18		18	
1921	63		63	
1922	6	6		
1923	17	17		
1924	1	1		
1925	4	4		
1941	2			2
1945	2			2
1946	23			23
1947	1			1
Total	137	28	81	28

NEW UNIFORMS

In 1958, the color of the uniform worn by operating personnel was changed for the first time since at least 1897, when the Boston Elevated Railway Company was chartered by the Legislature. The familiar blue serge was replaced by wool twist gabardine, grey-blue in color.

MODERNIZATION PROGRAM

During 1958, the work of installing improved lighting in the Authority's stations continued. Modern lighting has been completed in 40 of 59 stations and partially completed in seven others. The work involved consists of replacing obsolete lamps and fixtures, conduit, wiring and switchboards with the most up-to-date equipment and results in an average increase in station illumination of from one to two foot-candles, to fourteen foot-candles. The Trustees have authorized the continuation of this program in 1959 at Everett, Dover Street, Forest Hills, Charles Street, Milton, Cedar Grove, Bowdoin and Washington Stations. The Trustees have also approved the installation in the Boylston Street and Cambridge Subways of new Power Control Apparatus for the lighting circuits.

The Authority's perpetual painting program for all tunnel stations, under which stations are repainted about every five years, has been coordinated with the program of improved station lighting. A program for the repainting of the elevated structure and outside stations has been established, under which the entire structure will be repainted over a ten-year period.

In August, the installation of a new escalator was completed at State Street Station. This modern, step-type escalator replaced two old, cleat-type escalators that had been in service since 1908. The new escalator increased the rated capacity from 7,200 people an hour to 10,700 an hour. The Trustees have authorized the installation of a similar modern escalator at the westbound platform of the Park Street Station during 1959 to replace two cleat-type escalators in service since 1912. This project will be completed in the fall of 1959.

In conjunction with the beautification of the Lafayette Mall on the Tremont Street side of the Boston Common, and in cooperation with the Park Department of the City of Boston, the MTA removed the kiosk at the northerly end of the southbound platform of the Authority's Boylston Street Station. In addition, the remaining seven kiosks on the Common were steam cleaned and renovated.

Because of the conversion from streetcars to trackless trolleys in the Cambridge, Belmont and Watertown areas, the station facilities at Bennett Street and North Cambridge were modernized. At North Cambridge Yard, the streetcar tracks were removed, the area was paved and overhead trolley wires were installed for the storage of trackless trolleys. At Bennett Street Carhouse and Yard, several buildings were altered and modernized to provide for a cleaning, fueling, and washing section, a new pit and another lane through one of the buildings for servicing trackless trolleys. The Yard was paved and work was done in the way of improved drainage, lighting, and overhead trolley work for the operation and storage of trackless trolleys and buses.

In 1956, the Authority embarked upon a long-range program of modernizing the signal system on the Cambridge-Dorchester rapid transit line. As initially outlined, completion was expected within six years. The work has progressed at such a rate, much of it during 1958, that the program will be completed during 1959. The modernization of the signal system, dating from 1912 to 1928, consists of relocating certain signals, installing additional signals, changing and installing new wiring circuits, and installing speed control equipment. The improved system will provide more complete signal protection, shorten delays in service, increase the safety factor, and generally improve train operations on the line. The changes are in accordance with American Association of Railroad Signalling Principles and Practices and represent the latest in signalling systems in use throughout the country.

PROMOTION

For the first time in its history, the Metropolitan Transit Authority joined with private industry in an effort to promote off-peak riding. On September 23, 1958, the Authority signed a contract with B. T. Babbitt, Inc., and Hudson Pulp and Paper Corp. to co-sponsor a Ride-Free Program.

The Babbitt and Hudson companies agreed to place a coupon worth five cents on many of their products; four of these coupons being redeemable for a token at any MTA station. The entire cost of the coupons was borne by the Babbitt and Hudson companies.

FINANCIAL STATEMENTS

The balance sheet of the Metropolitan Transit Authority at December 31, 1958, related statement of income and cost of the service, detail of operating expenses, for the year ended December 31, 1958, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,

BOARD OF TRUSTEES

METROPOLITAN TRANSIT AUTHORITY

(Signed) ANTHONY D. POMPEO, *Chairman*

" JOHN J. GRAHAM

" WILLIAM V. WARD

February 27, 1959

Financial Statements

METROPOLITAN TRANSIT AUTHORITY
BALANCE SHEET — DECEMBER 31, 1958

ASSETS

FIXED ASSETS (Note A):

Road and equipment	\$118,798,370.25
Miscellaneous physical property	206,735.80
	<u>119,005,106.05</u>
Less — Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B)	48,442,311.19
	<u>70,562,794.86</u>
Subways, tunnels and other facilities:	
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949	40,140,150.93
Constructed by Metropolitan Transit Authority since August 2, 1949	<u>23,204,180.49</u>
	63,344,331.42
Less — Amortization of subways, tunnels and other facilities reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended), less retirements (Note C)	6,655,270.07
	<u>56,689,061.35</u>
Total fixed assets, less reserve and amortization	<u>127,251,856.21</u>

CURRENT ASSETS:

Cash in banks and on hand (incl. \$607,879.86 deposited for payrolls)	2,650,985.11
United States Treasury Bills	3,692,535.11
Special deposits	326,442.15
Commonwealth of Massachusetts — Amounts receivable under Chapter 544 of the Acts of 1947 as amended:	
Assessable deficit — per accompanying statement of income and the cost of the service	\$15,780,896.99
Less — Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D)	<u>12,000,000.00</u>
	3,780,896.99
Miscellaneous accounts and rents receivable	571,569.27
Material and supplies, at cost less reserve	2,430,079.03
Other current assets	<u>71,517.64</u>
Total current assets	<u>13,524,025.30</u>

OTHER ASSETS:

Special deposits available only for:	
Extension of rapid transit facilities in the City of Boston, the Town of Brookline and the City of Newton as provided for by Chapter 649 of the Acts of 1949 as amended	656,079.84
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of \$330,801.01 for establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended	518,963.91
Extension of East Boston Rapid Transit facilities to Revere and to the extent of \$43,915.90 for studies, preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and affected by Chapter 613 of the Acts of 1952	53,823.68
Purchase of revenue equipment as provided under Chapter 544 of the Acts of 1947 as amended	80,569.59
Mortgage note receivable	<u>1,859.49</u>
Total other assets	<u>1,311,296.51</u>

DEFERRED CHARGES AND UNADJUSTED DEBITS:

Prepaid expenses	149,658.00
Unadjusted debits	<u>337,866.71</u>
Total deferred charges and unadjusted debits	487,524.71
TOTAL ASSETS	<u>\$142,574,702.73</u>

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY
BALANCE SHEET — DECEMBER 31, 1958

LIABILITIES

FUNDED DEBT (all held by Boston Metropolitan District) —
per accompanying statement (Note E):

Bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less \$1,000,000 included in current liabilities below)	\$ 60,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$536,259.27 included in current liabilities below)	34,856,852.73
Bond of Metropolitan Transit Authority, dated November 25, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$102,000 included in current liabilities below)	6,630,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$60,000 included in current liabilities below)	4,020,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$13,333.34 included in current liabilities below)	880,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$11,000 included in current liabilities below)	737,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$22,000 included in current liabilities below)	1,496,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$15,000 included in current liabilities below)	1,035,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$32,000 included in current liabilities below)	2,208,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$10,000 included in current liabilities below)	700,000.00
Bond of Metropolitan Transit Authority, dated July 1, 1958, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$55,000 included in current liabilities below)	4,070,000.00
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less \$1,392,000 included in current liabilities below)	18,077,000.00
	<u>135,628,224.62</u>

CURRENT LIABILITIES:

Funded debt installments payable within one year	3,248,592.61
Accounts and wages payable	2,088,678.08
Accrued interest and rents payable	657,590.30
Accrued Federal old age benefit tax	63,792.63
Unredeemed tickets and tokens	365,373.54
Employee withholdings and other liabilities	380,764.30
Total current liabilities	<u>6,804,791.46</u>

DEFERRED AND UNADJUSTED CREDITS:

Unamortized premium on funded debt	68,420.68
Unadjusted credits	73,265.97
Total deferred and unadjusted credits	<u>141,686.65</u>
Commitments: (Note F)	

TOTAL LIABILITIES \$142,574,702.73

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF FUNDED DEBT — DECEMBER 31, 1958

(All held by the Boston Metropolitan District)

<i>Note</i>	<i>Issue Date</i>	<i>Term</i>	<i>Maturity Date</i>	<i>Rate</i>	<i>Principal Amount</i>
1	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	\$ 725,000.00
2	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	61,918,371.89
3	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	35,393,112.00
4	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	6,732,000.00
5	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	160,000.00
6	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	893,333.34
7	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	4,080,000.00
8	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	748,000.00
9	Mar. 1, 1951	10 Years	Mar. 1, 1961	1.50%	321,000.00
10	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	1,089,000.00
11	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	2,924,000.00
12	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,518,000.00
13	Jan. 15, 1952	9 Years	Jan. 15, 1961	2.10%	198,000.00
14	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,050,000.00
15	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,240,000.00
16	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	280,000.00
17	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	90,000.00
18	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	1,005,000.00
19	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	710,000.00
20	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	60,000.00
21	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	85,000.00
22	Mar. 1, 1955	15 Years	Mar. 1, 1970	2.00%	185,000.00
23	Mar. 1, 1956	15 Years	Sept. 1, 1970	2.40%	1,560,000.00
24	Mar. 1, 1957	15 Years	Sept. 1, 1971	3.10%	1,807,000.00
25	Mar. 1, 1957	30 Years	Mar. 1, 1987	2.90%	3,697,000.00
26	Mar. 1, 1958	30 Years	Mar. 1, 1988	2.90%	3,936,000.00
27	July 1, 1958	30 Years	July 1, 1988	3.00%	4,125,000.00
28	July 1, 1958	15 Years	July 1, 1973	3.50%	1,347,000.00

TOTAL FUNDED DEBT—December 31, 1958	\$138,876,817.23
LESS—Payments due in 1959 in current liabilities	3,248,592.61
NET FUNDED DEBT—Payable after 1959	\$135,628,224.62

(See notes on following pages)

NOTES ON FUNDED DEBT

- 1 Equipment serial bonds. Original issue \$2,175,000. payable semi-annually \$72,000. on June 1 and \$73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 2 Refunding bond. Original issue \$71,418,371.89 payable \$500,000.00. each June 1 and December 1 and final installment of \$418,371.89 on December 1, 2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.

- 3 Rapid Transit bond. Original issue \$40,219,445.43 payable in 75 installments of \$536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A(c), Chapter 544, Acts of 1947 as amended.)

The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.

- 4 Construction bond. Original issue \$7,650,000. payable \$102,000. annually on November 21 to and including November 21, 1978 and one payment of \$4,692,000. on November 25, 1979. The \$102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- 5 Equipment serial bonds. Original issue \$403,000. payable semi-annually \$13,000. on June 1 and \$14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended)
- 6 Construction bond. Original issue \$1,000,000. dated April 15, 1950 paid March 1, 1951 and renewed for \$986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75 of the principal amount is payable annually (\$13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each November 20.

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- 7 Construction bond. Original issue \$4,500,000. payable \$60,000. annually on March 1 to and including March 1, 1980 and one payment of \$2,760,000. on March 1, 1981. The \$60,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- 8 Construction bond. Original issue \$825,000. payable \$11,000. annually on March 1 to and including March 1, 1980 and one payment of \$506,000. on March 1, 1981. The \$11,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- 9 Equipment serial bonds. Original issue \$1,074,000. payable annually \$108,000. March 1, 1952 to 1955 inclusive, \$107,000. March 1, 1956 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

NOTES ON FUNDED DEBT

- 10 Equipment serial bonds. Original issue \$1,673,000. payable annually, as follows:
\$83,000. March 1, 1952 to 1955 inclusive.
\$84,000. March 1, 1956 to 1962 inclusive.
\$83,000. March 1, 1963, March 1, 1966, March 1, 1969
\$84,000. March 1, 1964, 1965, 1967, 1968, 1970 and 1971
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 11 Equipment serial bonds. Original issue \$3,817,000. payable annually, as follows:
\$128,000. March 1, 1952 to 1955 inclusive.
\$127,000. March 1, 1956 to 1962 inclusive.
\$128,000. March 1, 1963, 1966, 1969.
\$127,000. March 1, 1964, 1965, 1967, 1968.
\$127,000. March 1, 1970 to 1981 inclusive.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 12 Construction bond. Original issue \$1,650,000. payable \$22,000. annually on January 15, to and including January 15, 1981 and one payment of \$1,012,000. on January 15, 1982. The \$22,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- 13 Equipment serial bonds. Original issue \$592,000. payable annually \$65,000. January 15, 1953 and 1954, and \$66,000. January 15, 1955 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 14 Construction bond. Original issue \$1,125,000. payable \$15,000. annually on March 1 to and including March 1, 1982 and one payment of \$690,000. on March 1, 1983. The \$15,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- 15 Construction bond. Original issue \$2,400,000. payable \$32,000. annually on March 1 to and including March 1, 1982 and one payment of \$1,472,000. on March 1, 1983. The \$32,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- 16 Equipment serial bonds. Original issue \$562,000. payable annually \$58,000. March 1, 1954, \$56,000. March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 17 Equipment serial bonds. Original issue \$166,000. payable annually \$16,000. March 1, 1954. \$15,000. March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 18 Equipment serial bonds. Original issue \$1,545,000. payable annually \$108,000. March 1, 1954 to 1958, \$102,000. March 1, 1959 to 1961, \$97,000. March 1, 1962 to 1964, \$46,000. March 1, 1965 to 1967, \$45,000. March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)
- 19 Construction bond. Original issue \$750,000. payable \$10,000. annually on March 1 to and including March 1, 1984 and one payment of \$450,000. on March 1, 1984. The \$10,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

NOTES ON FUNDED DEBT

- 20 Equipment serial bonds. Original issue \$98,000. payable annually \$8,000. March 1, 1955, \$10,000. March 1, 1956 to 1964. inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 21 Equipment serial bonds. Original issue \$156,000. payable annually \$20,000. March 1, 1955, \$17,000. March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 22 Equipment serial bonds. Original issue \$231,000. payable annually \$16,000. March 1, 1956-59-62-65-68-70; \$15,000. March 1, 1957-58-60-61-63-64-66-67-69. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 23 Equipment serial bonds. Original issue \$1,954,000. payable annually \$134,000. September 1, 1956. \$130,000. September 1, 1957 to 1970 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 24 Equipment serial bonds. Original issue \$2,082,000. payable annually \$136,000. September 1, 1957, \$139,000. September 1, 1958 to 1971 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 25 Equipment serial bonds. Original issue \$3,824,000. payable annually \$127,000. March 1, 1958-59-61-63-65-67-69-71-73-75-77-79-81-83-85-87: \$128,000. March 1, 1960-62-64-66-68-70-72-74-76-78-80-82-84-86. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 26 Equipment serial bonds. Original issue \$3,936,000. payable annually \$137,000. March 1, 1959, \$131,000. March 1, 1960 to 1988 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 27 Construction bond. Original issue \$4,125,000. payable \$55,000. annually on July 1 to and including July 1, 1988 and one payment of \$2,475,000. on July 1, 1988. The \$55,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each July 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- 28 Equipment serial bonds. Original issue \$1,347,000. payable annually \$87,000. July 1, 1959, \$90,000. July 1, 1960 to 1973 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
 - 1-5-9-10-11-13-16-17-18-20-21-22-23-24-25-26-28 Equipment serial bonds
 - 2 Authority vs. District refinancing August 3, 1949
 - 3 Subway purchase August 3, 1949 (City of Boston)
 - 4 East Boston Rapid Transit, Subway Alterations and Off-Street Parking Facilities
 - 6 Tremont Subway Addition (Park St. to Scollay Square — preliminary plans) and Alterations
 - 7-12 East Boston Rapid Transit
 - 8 Washington Tunnel Extensions (preliminary plans) and Alterations
 - 14 East Boston Rapid Transit, Off-Street Parking Facilities
 - 15 E.B.R.T. Extension to Revere and Cambridge Subway Extension (preliminary plans)
 - 19 E.B.R.T. Extension to Revere
 - 27 Highland Branch Extension

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF INCOME AND THE COST OF THE SERVICE

YEAR ENDED DECEMBER 31, 1958

INCOME:

Revenue from transportation	\$36,032,557.62	
Revenue from other operations	984,429.64	
Total operating revenue	37,016,987.26	
Non-operating income	142,663.99	
Total income		\$37,159,651.25

OPERATING EXPENSES:

Way and structures:		
Salaries and wages	\$ 4,086,685.39	
Other	1,489,570.87	5,576,256.26
Equipment:		
Salaries and wages	2,523,391.93	
Other	1,720,203.37	4,243,595.30
Power:		
Salaries and wages	1,186,223.31	
Other	2,103,966.89	3,290,190.20
Conducting transportation:		
Salaries and wages	23,077,235.25	
Other	792,042.50	23,869,277.75
Traffic:		
Other	79,912.03	79,912.03
General:		
Salaries and wages	2,425,686.90	
M.T.A. retirement fund	1,981,590.66	
Other	4,546,014.16	8,953,291.72
Total operating expenses (including allowance of \$1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned—Note B)		46,012,523.26
Loss before other deductions		8,852,872.01

OTHER DEDUCTIONS:

Taxes assignable to transportation operations	864,063.87	
Interest on funded debt (Note E)	3,587,142.22	
Payment on funded debt—B.M.D. (Note E)	2,223,000.00	
Cambridge subway rental	384,943.34	
Other deductions	14,559.05	
Total other deductions		7,073,708.48
Loss resulting from operations		15,926,580.49

PROFIT AND LOSS ITEMS:

Dividend on compensation insurance	100,000.00	
Adjustment of outstanding ticket liability	42,000.00	
Gain from disposal of land	3,683.50	145,683.50
Loss for the Year (excess of the cost of the service over income)		\$15,780,896.99

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 1958

WAY AND STRUCTURES:

Superintendence	\$ 536,606.33
Maintenance of roadway and track	1,634,825.36
Removal of snow and ice	184,274.92
Tunnels and subways	114,276.75
Elevated structures and foundations	174,737.62
Bridges, trestles and culverts	34,248.14
Crossings, fences and signs	50,694.71
Signals and interlockers	94,802.32
Communication systems	24,385.85
Miscellaneous way expenses	350,586.22
Maintenance of electric line equipment	531,892.99
Maintenance of buildings, fixtures and grounds	1,193,254.03
Depreciation of way and structures	600,000.00
Dismantling retired way and structures	51,671.02
Total way and structures	<u>5,576,256.26</u>

EQUIPMENT:

Superintendence	223,392.51
Maintenance of revenue equipment	2,244,779.21
Maintenance of service equipment	23,544.25
Electric equipment of cars and trackless trolleys	548,169.32
Shop equipment	102,049.69
Shop expenses	771,897.19
Maintenance of automotive and misc. equipment	99,012.07
Depreciation of equipment	228,000.00
Dismantling retired equipment	2,751.06
Total equipment	<u>4,243,595.30</u>

POWER:

Superintendence	166,478.07
Maintenance of power plants	401,620.98
Depreciation of power plants	372,000.00
Other power plant operating expenses	1,978,527.23
Gasoline and fuel oil for buses	371,563.92
Total power	<u>3,290,190.20</u>

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES — Continued

YEAR ENDED DECEMBER 31, 1958

CONDUCTING TRANSPORTATION:

Superintendence	\$ 3,626,072.09
Passenger car, trainmen and bus operators	12,717,375.62
Miscellaneous car and bus service employees	433,708.37
Miscellaneous car and bus service expenses	217,838.13
Station employees	2,495,483.82
Station expenses	692,866.10
Car house and bus garage employees	2,340,172.79
Car house and bus garage expenses	268,524.93
Operation of signal and interlocking apparatus	595,893.14
Operation of communication systems	25,771.24
Other transportation expenses	455,571.52

Total conducting transportation	23,869,277.75
---------------------------------------	---------------

TRAFFIC (promotion and advertising)	79,912.03
---	-----------

GENERAL (administrative and other general operating expenses):

Salaries and expenses of general officers	93,040.99
Salaries and expenses of general office clerks	1,264,771.92
General office supplies and expenses	250,677.49
Law expenses	87,705.00
Pensions, retirement fund, gratuities, group health and accident, surgical, life and hospitalization insurance	3,185,917.78
Miscellaneous general expenses	247,722.17
Injuries and damages and expenses relating thereto	2,457,051.42
Insurance	624,368.61
Stationery and printing	151,472.46
Store expenses	439,103.99
Service garage expenses and supplies	151,459.89

Total general	8,953,291.72
---------------------	--------------

TOTAL OPERATING EXPENSES	\$46,012,523.26
--------------------------------	-----------------

METROPOLITAN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE A—FIXED ASSETS

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

NOTE B—RESERVE FOR DEPRECIATION

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1958 in reduction or payment of the principal amount of bonds issued by the Authority under either Section 7A or Section 22, as well as (2) such allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949. The balance (\$48,442,311.19) of this account at December 31, 1958 is substantially less than recent surveys have indicated may be required to cover normal depreciation and obsolescence that has accrued on the properties.

NOTE C—AMORTIZATION OF TUNNELS, SUBWAYS AND OTHER FACILITIES

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1958 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned.

NOTE D—ADVANCE PAYMENT ACCOUNT OF ASSESSABLE DEFICIT

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

After certification by the Trustees in June 1958, an advance payment was made to the Authority in the amount of \$6,000,000. and a second advance payment of \$6,000,000. was made in November 1958.

NOTE E—FUNDED DEBT

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for, through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, \$26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of \$97,931,917, were cancelled August 3, 1949 and a new bond for \$71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the \$26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of \$500,000, each, on December 1 and June 1. The first installment was paid on December 1, 1949, and the final installment, \$418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time.

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A (\$1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 (\$1,223,000.) were included in the cost of the service for the year ended December 31, 1958 as provided in Section 11 of said Chapter 544.

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544 of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for \$40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544 and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 21, 1958, the Authority received from the Commonwealth of Massachusetts the amount of \$801,592.60 which had been certified by the Authority as payable during the year 1958.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1958, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A(j), and 22 of Chapter 544 and Section 6 of Chapter 649; and (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A(c) of said Chapter 544, except that a portion of the amounts paid during the year 1958 under Section 6 of Chapter 649, of the Acts of 1949, as amended, has been considered as applicable to unfinished construction and charged to the fixed asset accounts.

NOTE F—COMMITMENTS

At December 31, 1958 the Authority had outstanding firm commitments, totalling approximately \$4,541,000, for other additions and improvements to the road and equipment properties, for the construction of off-street parking facilities and for the addition to and extension of rapid transit facilities.

Of this amount, approximately \$4,427,000, will be paid from special deposits established from bond issues made under Section 8A of Chapter 544 of the Acts of 1947, as amended and Section 6 of Chapter 649 of the Acts of 1949, as amended.